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Formulation of Regional Growth Policy

For the San Francisco Bay Region



ASSOCIATION
OF BAY AREA
GOVERNMENTS

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Revised reflecting Regional Planning
Committee and Executive Committee
comment

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Regional Growth: How Much and Where?*

It is realized that the discussion of issues and recommended Initial Regional Growth Policy contained in this paper represents a first step. The problem is complex and there are no easy solutions but it is vital to begin the dialogue. This paper is one means to do so.

"Growing Pains" Are A Serious Problem

The high quality of living within the San Francisco Bay Region is matched in few other metropolitan areas.

BAY AREA RESIDENTS ARE RAPIDLY RECOGNIZING THAT CONTINUED POPULATION AND URBAN GROWTH IN OUR REGION PLACES INCREASING DEMANDS ON OUR CRITICAL RESOURCES. UNCHECKED POPULATION GROWTH CAN ONLY JEOPARDIZE THE QUALITY OF LIFE WE NOW ENJOY.

Following from this assumption is the further assumption that the region has the right to set a limit on its overall growth rate and ultimate population in the interest of maintaining the quality of life for existing and future residents of the region.

Citizens, officials and professionals responsible for local services are more and more focusing attention on the development of rational future plans which will assure that life is still pleasant. On July 30, 1970, ABAG members adopted an initial Regional Plan to guide local and regional planning efforts. The Plan identifies, in

general, urban and open space lands projected to the year 1990. It is based upon a population growth assumption of 7.5 million people by that year.

SINCE THE ADOPTION OF THE REGIONAL PLAN, REVISED AND MORE PRECISE PROJECTIONS OF RANGES OF POPULATION AND EMPLOYMENT GROWTH HAVE BECOME AVAILABLE FROM SEVERAL SOURCES.

The new projections provide a basis for revising the regional plan growth assumptions. This is part of ABAG's responsibility to form a conscious Regional Growth Policy.

Where Does Growth Come From?

Predicting future growth rates starts by studying the past. During the decade 1950-1960, Bay Area population increased by 35 percent (979,600 new people). During the 1960's, growth slowed to 26 percent (967,700 more people). Natural increase - resulting from more births than deaths - and migration into the Bay Area from other parts of the State, nation or the world, have accounted for our population growth over the past 20 years. Of these, migration is the more variable factor, as it is responsive to economic conditions. Over the last two decades, in-migration has contributed the largest share of the region's new population, but it decreased slightly in the 1960's. It is worth noting the special significance of foreign immigration to the Bay Area; in 1970, almost 53 percent (17,000) of all in-migrants to this region were from foreign countries.

Alternate Population and Employment Forecasts San Francisco Bay Region

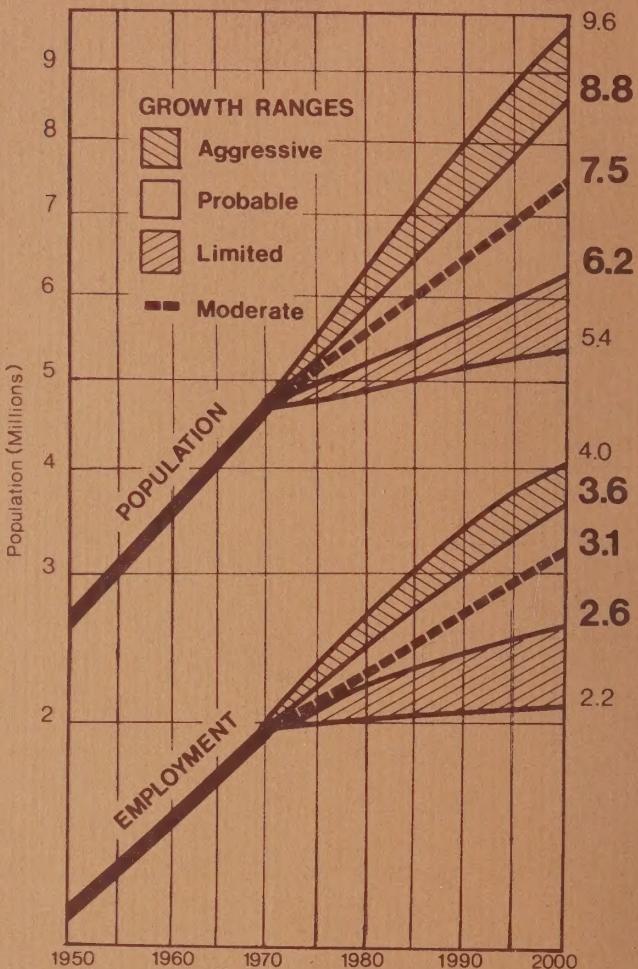
During the 1970's, it is expected that natural increase will account for 61 percent of regional population growth, while in-migration will contribute only 39 percent. Since 1963, when California's share of the nation's expenditures for aerospace employment dropped sharply, fewer people have come into the State and the Bay Area.

Economic expansion plays an important role in determining population growth. Many factors which influence economic growth are beyond the control of local groups; the health of the national economy is an example. However, other local policies, such as zoning, placement of utilities, and good accessibility to transportation systems do have an influence on economic expansion and its location. Growth can thus be guided by placing some limitations on basic economic expansion and/or its location.

Regional growth is also affected by boosts or cuts in federal, state and local spending. Finally, if a national policy to stabilize U.S. birth rates were enacted, such a policy would affect regional birth rates. It is doubtful, though, that regional growth policies could significantly change regional birth rates.

Population Forecasts Vary

Various forecasts of population growth to the year 2000 have been made for the Bay Area, ranging from high growth to low growth. Each implies policy choices, as explained below. The following graph shows the broad ranges of growth.



Population

- 9.6 State Department of Water Resources, 1968 (extrapolated to 2000).
- 8.8 State Department of Finance, April, 1972. Based on Census Bureau Series C fertility (2.78 births per woman during a lifetime) 300,000 annual State net migration, and current mortality rates.
- 7.5 State Department of Finance, September, 1971. Based on Census Bureau Series D fertility (2.45 births per woman during a lifetime), 150,000 annual State net migration, and current mortality rate.
- 6.2 State Department of Finance, April, 1972. Based on Census Bureau Series E fertility (2.11 births per woman during a lifetime), zero State net migration, and current mortality rates.
- 5.4 Center for the Continuing Study of the California Economy, 1972, for discussion purposes.

Employment — State Department of Human Resources Development and ABAG.

AGGRESSIVE GROWTH INVOLVES BOLD ENCOURAGEMENT IN EVERY WAY OF RAPID ECONOMIC EXPANSION TO ACHIEVE HIGHER POPULATION GROWTH RATES THAN PRESENTLY PREVAIL.

Under such policies, the Bay Area's present population of 4.6 million would swell to a range between 8.8 and 9.6 million by the year 2000, and the number of jobs available would grow between 2.0 percent and 2.4 percent each year.

THE LIMITED GROWTH PROJECTION MEANS DRASTICALLY SLOWING DOWN THE CURRENT RATES OF ECONOMIC BASE EXPANSION, BUT IT DOES NOT IMPLY STOPPING ECONOMIC GROWTH ENTIRELY.

Specific policy tools needed to achieve slower growth would be: effective land use restrictions on certain kinds of industries, restrictions of services and accessibility, reform of the local property tax system and new policies such as tax penalties and a State policy of restricting industrial growth in those areas where growth is deemed undesirable and encouraging it in those areas where it is desired. Growth of employment would average between 0.4 percent and 0.9 percent per year, and regional population would be between 5.4 and 6.2 million people by the year 2000.

While it is not suggested that either of the extreme growth policies be pursued at this time, they are included here for discussion and investigation purposes.

Neither the aggressive nor the limited growth projections will occur without the above-outlined dramatic policy decisions. Since coordinated local, regional, State and Federal decisions on such policies do not exist at this time, significant changes in present growth

patterns are not likely to occur in the near future.

THEREFORE, THE PROBABLE GROWTH FORECAST, BASED ON VERY RECENT STUDIES OF THE CALIFORNIA STATE DEPARTMENT OF FINANCE, MERITS THE GREATEST ATTENTION AT THIS TIME. Probable growth for the Bay Area means that by the year 2000 our population will have increased to between 6.2 and 8.8 million people, and the number of jobs will grow by 0.9 to 2.0 percent each year.

Existing Local, State and Federal Policies Indicate Probable Growth

There are several reasons for emphasizing the 'probable' growth range as the most useful for present planning efforts.

- Current federal tax policies, housing programs, State and Federal development programs, zoning of excess vacant land for urban purposes, commitments to public facilities and investments, and local tax policies all ENCOURAGE GROWTH.
- Birth rates alone, if they continue according to State Department of Finance projections, will add far more people to the region than accounted for in the total population increase under the limited growth forecast.
- There does not exist a clear consensus of growth policy by local, regional, state, and federal govern-

How to Guide Short-Range Planning

ments that would change existing trends in population and urban development.

It is imperative that local, county and regional agencies and governing units cooperate to achieve a unified program for regional growth planning. It will take time for such a program to be organized. In the meantime, how do we go about preparing for the immediate future?

If existing trends continue, it can be reasonably predicted that the region's population will grow from its present 4.6 million people to a total of 5.5 million people by 1980. It could grow at a slightly slower or faster rate, but the 5.5 million figure is a moderate one, taking into account the population projections to 1980 of each of the nine counties of the Bay Area and of the California State Department of Finance. The table below shows the correlation between county and state estimates.

Population Forecasts By County: 1980, 1990, 2000

San Francisco Bay Area (Thousands)

	1980			1990			2000			
	County Estimate	Moderate	County Estimate	Slow	Moderate	Rapid	County Estimate	Slow	Moderate	Rapid
Alameda	1263.0	1217.7	---	1221.6	1380.2	1493.6	---	1273.2	1510.7	1729.2
Contra Costa	689.1	689.1	852.4	733.7	852.4	942.9	988.7	792.0	988.7	1145.2
Marin	248.0	261.9		285.7	335.9	365.2	---	321.8	403.3	455.3
Napa	103.7	102.5	139.8	113.5	147.3	170.0	186.0	126.6	192.5	243.1
San Francisco	710.0	721.6	755.0	706.4	730.0	772.9	---	688.7	726.3	810.9
San Mateo	612.8	613.1	676.8	582.5	677.1	744.4	719.1	574.2	719.4	853.4
Santa Clara	1386.0	1386.6	1670.0	1561.0	1760.3	1918.6	---	1767.8	2103.1	2402.6
Solano	262.0	214.3	358.0	261.5	303.1	340.2	489.0	304.6	420.8	517.3
Sonoma	275.1	275.1	370.5	307.9	370.5	435.5	481.1	356.1	481.1	618.0
BAYAREA	5549.7	5481.9	---	5773.1	6556.8	7183.3	---	6205.0	7545.9	8775.0

Source: County estimates from each county planning department. Slow, Moderate, and Rapid estimates from State Department of Finance, Population Research Section.

The estimate of 5.5 million people in 1980 reflects a population growth rate of 1.7 percent per year, compared to an average annual growth rate of 2.4 percent between 1960 and 1970. The growth rate of the 1970's is expected to be slower because of fewer migrants coming into the region and a lower level of fertility compared to that of the 1960's. Employment is anticipated to increase by 1.4 percent per year, compared to an average annual growth rate of 3.3 percent between 1960 and 1970.

ABAG RECOMMENDS THAT FOR THE PURPOSES OF CONSISTENT PLANNING FOR REGIONAL TRANSPORTATION, WATER, AIR QUALITY AND OTHER IMPORTANT SERVICES, THE MODERATE 1980 POPULATION PROJECTION OF 5.5 MILLION PEOPLE BE RECOGNIZED AS AN INTERIM PLANNING GUIDE.

Agreeing to a 1980 population estimate is a tremendously important first step in the process of creating a viable regional growth plan since such a determination tends to become self-fulfilling.

- 1) The 5.5 million figure provides a basis for local governments and regional agencies to plan for expected urban population in manageable stages.
- 2) This figure also permits local and regional agencies to agree upon their share of the regional population up to 1980, until such

time as impacts of longer-range growth alternatives have been determined.

- 3) The Metropolitan Transportation Commission's Regional Transportation Plan is now underway and should be completed in 1973. This single-purpose agency depends on ABAG for policies on regional growth to guide its plans. Although this planning effort will eventually require a long-range growth strategy to the year 2000, the immediate need is for a short-term population assumption. The 5.5 million population figure for 1980 fills this requirement and allows the transportation program to allocate money for programs and capital improvements now.
- 4) In-depth studies of the environmental aspect of growth with respect to water quality (ABAG is currently participating in the planning efforts of the State Water Resources Control Board's San Francisco Basin Water Quality Management Plan) and air quality are underway (ABAG is negotiating a Memorandum of Agreement with the Bay Area Air Pollution Control District). These agencies need consistent policy on growth to base their planning assumptions. ABAG in turn needs feedback from them to insure that its growth policies do not violate water quality in the basin or exceed the air shed capacity.

- 5) Adopting this interim planning guide to 1980 permits working time for study, debate, and decision-making on the major policy issues of a long-range regional growth policy to be added to the Regional Plan.

Coordination is the Watchword

The key to making any planning process productive is concerted effort from all parties. ABAG members recognize this, and ABAG staff is prepared to provide assistance needed by local and county planning departments to achieve worthwhile planning goals.

There are several concrete problems to overcome in the short- and long-range planning procedure. Most local planning agencies have a comprehensive land use plan to guide development decisions. For the most part, these plans propose urban and open space uses projected up to twenty years into the future. There has been little or no coordination of local planning efforts at a regional scale. The aggregation of local land use policies projects greater population and urban lands for the Bay Area than is realistic from current regional population forecasts by the State Department of Finance and the policies proposed in this paper.

Another problem is that most adopted land use plans do not show several stages

for urban growth within a 20 to 30 year time frame. As a result, planning for costly public facilities and services is haphazard.

WHAT WE MUST DO IS ENCOURAGE EACH CITY TO TAKE A NEW LOOK AT ITS ESTIMATED GROWTH, RE-EXAMINE THE IMPACT, AND ALIGN ITS GROWTH PROJECTIONS TO THOSE OF ITS COUNTY PLANNING DEPARTMENT, WHICH IN TURN SHOULD BE CONSISTENT WITH REGIONAL GROWTH PROJECTIONS AND GOALS. Many times cities are competing for new growth, and this competition puts an enormous stumbling block in the way of sensible planning. Jurisdictions that limit growth are presently penalized in their tax base and hence their ability to raise revenue for vital services. We must reduce local government's dependence on property tax by providing substitute sources of revenue. It is beyond the scope of this paper to make specific statements on the form of such vitally needed tax reform. It is strongly recommended, however, that ABAG initiate immediately a study and legislative programs to achieve local and regional tax reform. Included in such study should be consideration of equalization policies that might require jurisdictions, accepting increases in growth-causing employment, to:

- 1) provide a proportionate amount of housing and public facilities in their own jurisdiction
- 2) share their increases in revenue from such growth with other jurisdictions that provide housing and facilities

Special consideration will also be required on how to compensate jurisdictions having major employment centers for the services they provide.

Do we want a larger society or do we want to limit population growth and concentrate on improving existing communities and the standard of living of present Bay Area resident?

Decisions Now Will Affect Growth After 1980

While it is more difficult to affect growth rates in the region before 1980, policy decisions made in the next few years can have a crucial impact on what happens beyond 1980. We can say that the difference between slow, moderate, or rapid growth to the year 2000 is the difference between a low of 6.2 million and a high of 8.8 million people.

It is clear that formulation of regional growth policy must be part of current efforts by federal and state governments in forming national and state policies on growth. Additionally, if local governments within the Bay Region will coordinate a regional growth plan and policies within the next few years it will be possible to effect state and federal legislation and policies on growth. It is a two-way street.

Three Growth Rates To Study Within The 'Probable' Growth Range (Millions)

	1980		1990		2000	
	Pop.	Jobs	Pop.	Jobs	Pop.	Jobs
Slow	5.2	2.1	5.8	2.4	6.2	2.6
Moderate	5.5	2.2	6.6	2.7	7.5	3.1
Rapid	5.6	2.3	7.2	3.0	8.8	3.6

To make informed decisions, it is important to study the implications of how much, its rate, where and what kind of growth should occur and what effect it may have on social and economic factors, as well as the quality of our environment. How important a role in society do we want to give the individual man? How well do we want him to live?

Let's Study The Policy Impacts

Each of the possible growth rate choices before us would have a different effect on the region's resources and the costs of greater urban facilities and services necessary to accommodate more people. Only when citizens and their elected decision-makers know these effects can they design an informed and desired course of action.

There are many specific ways of implementing a desired growth level and rate. The key is developing a coordinated set of policies that link local and regional objectives for urban growth. Some communities will want growth; others will want to restrict it. For example, growth limitations are most con-

sistently advocated by the high-income residents of our suburban areas, who have attained job security and a quality of life that they desire to protect. The contrary policies for expanding economic growth with its attendant increases in population growth are most consistently advocated by low-income residents of our central cities who desire expanding economic opportunities in order to obtain the opportunity to achieve incomes and to attain a quality of life found in the suburbs. In either case, it is essential that central city and suburbs help develop and respond to a regional growth plan. Some of the obvious policies are listed below. Although it is recognized that some are unacceptable, they are presented for purposes of discussion.

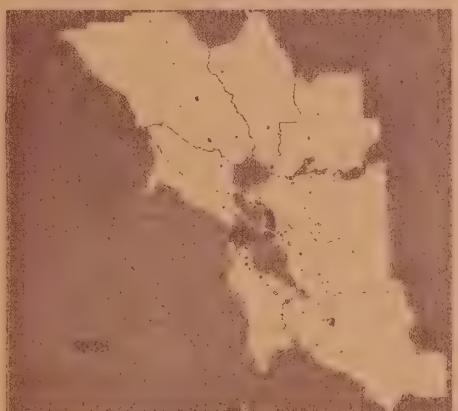
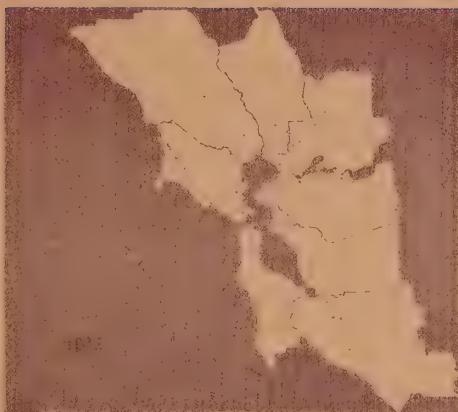
TO ENCOURAGE SLOW GROWTH

- Restrict types and locations of industries by state and local zoning policies.
- Initiate manpower programs to employ the locally unemployed rather than hiring workers from outside the region. Such programs must be based upon locating critical unemployed areas, and identifying type of industry and jobs most appropriate to the special needs of the community.
- Provide tax incentives to small families and single people.
- Expand programs for family planning.
- Impose tax penalties on economic developments that generate the

greatest population increase. (This will be imposed selectively using such criteria as environmental impact and the affect on the tax base and social objectives of the jurisdictions involved).

- Impose pollution control measures that restrict growth.
- Through land use controls set a planned limit on residential holding capacity in each political jurisdiction. (Actual densities and their distribution, i. e. degree of clustering and amount of open space should be left to the local jurisdiction - subject only to regional policies on Parks and Open Space, Housing, etc.)
- Reduce population holding capacity of communities through land use control based upon environmental hazards such as earthquake, landslide and flood hazards or preserve resources and environmental amenities such as prime or unique agricultural land, open space, fish and wildlife habitat, etc.
- Restrict growth to specific areas by limiting accessibility and urban services such as transportation, sewer and water, etc.
- Reform local tax structure.

TO ENCOURAGE RAPID GROWTH, THE OPPOSITE OF THE ABOVE POLICIES SHOULD BE PURSUED.



The above maps schematically illustrate regional growth for the San Francisco Bay Area. They depict a historical sequence of urban development as indicated in brown. The 1990 map generally reflects the "probable" increase in urbanization given a continuation of existing trends and policies.

Conclusion

To carry out effectively the resolution of ABAG's General Assembly meeting of February 24, 1972 calling for the formulation of a Regional Growth Policy the assumption has been made that some policies must be initiated to guide unrestricted regional growth. The four key regional issues that this paper has explored are:

- 1) If regional population growth is to be controlled, some control on regional economic growth is also necessary. (This will have to be exercised selectively, making full allowance for each jurisdiction's specific problems so as not to disrupt their economic base and social policies.)
- 2) Cities, counties and special purpose agencies should develop growth objectives and plans within the 1980 guidelines proposed in this paper. (See Table on county and State estimates, page 4)
- 3) There is a vital need for local and regional tax reform, so that the assessor and property tax consideration cease dictating local planning decisions. This study should be given the highest priority.
- 4) There is need to begin the examination of longer-range alternative regional growth level's and rates and their impact upon the future quality of life in the San Francisco Bay Region.

Examine the Problems and Alternatives: You Must Make The Decisions

The ABAG General Assembly, at its meeting on November 10, 1972, should approve the Initial Regional Growth Policy, as presented in this paper, and authorize ABAG committees and staff to continue in the formulation of a more comprehensive Regional Growth Policy for the San Francisco Bay Region. Once formally established, the Initial Regional Growth Policy will be subject to annual review by ABAG General Assembly.

Initial Regional Growth Policy

We can summarize the discussions in this issue paper by proposing the following recommendations for an Initial Regional Growth Policy.

- 1) A regional population growth level not to exceed 5.5 million people by 1980 is a reasonable planning figure for use all official and voluntary agencies in the Bay Area. Such regional population growth will necessitate planning for an annual growth rate of 1.7 percent per year.

**ABAG can work with city and county governments and other agencies to establish common growth objectives in relation to this interim regional planning guide.

**These objectives can then provide a basis for staging urban growth (1980 the first stage) to be reflected in land use plans, Local Agency Formation Commission (LAFCO) guidelines, and zoning ordinances.

**Both objectives and stages for growth form a basis for guiding transportation, sewer, water, power and other urban servicing agencies in their planning efforts.

- 2) Regional population to the year 2000 will probably range between 6.2 and 8.8 million people, but policy decisions made in the next few years can direct the level and location of population within this range.

**Using these broad figures, three possible growth rates - slow,

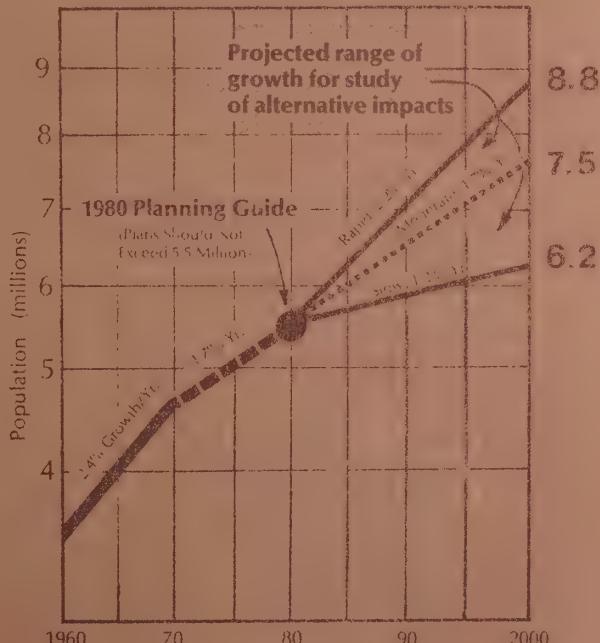
moderate and rapid - and their projected land use patterns need to be studied and their impacts on community and regional resources, costs, and quality of life assessed.

**Once the consequences of alternative growth rates are studied, citizens and officials can make educated choices concerning the shape of their future.

**The process of developing a regional growth policy, since it must directly involve many agencies, can build an effective coordinating mechanism that assures the realization of planning objectives.

The following graph summarizes the initial regional growth policy.

Recommended Framework for Regional Growth Planning



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